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FISCAL IMPACT STATEMENT

LS 6095

BILL NUMBER: HB 1251

NOTE PREPARED: Jan 29, 2004

BILL AMENDED: Jan 29, 2004

SUBJECT: Hoosier Rx Program.

FIRST AUTHOR: Rep. Becker

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Prescription Drug Advisory Committee to make recommendations concerning changes to the Indiana Prescription Drug Program's drug benefit. The bill removes a provision prohibiting the Committee from recommending the use of funds from the Prescription Drug Account for a state prescription drug benefit if a federal program provides a similar benefit. The bill also extends the existence of the Prescription Drug Advisory Committee until December 31, 2006. It makes a technical correction by repealing two different versions of a noncode provision and makes changes to the provisions.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) This bill would extend the expiration date for the Prescription Drug Advisory Committee by one year, to December 31, 2006. (The Committee's statutory authority expires on December 30, 2005, under current statute.) The Committee consists of 11 members appointed by the Governor and 4 nonvoting legislative members. Expenses incurred by the nonlegislative members of the Committee are to be paid from the Indiana Prescription Drug Account, funds for which are appropriated from the Tobacco Master Settlement Agreement Fund. Expenses of the 4 legislative members are to be paid from funds appropriated to the Legislative Council from the state General Fund. Committee expenses are estimated to fall within the amount allocated for legislative interim study committees of \$9,000 annually.

The bill removes an existing provision that prohibits the Committee from recommending the use of funds from the Prescription Drug Account if there is a federal statute or program, other than a Medicaid waiver, that provides a similar benefit for low-income senior citizens. The Committee is required to make program design recommendations to coordinate the Indiana Prescription Drug Program (HoosierRx) with the recently enacted Medicare prescription drug benefit. The Committee is further charged with ensuring the program does not

duplicate federal benefits. The Committee is to submit their recommended changes to the Governor and the Office of the Secretary of the Family and Social Services Administration before July 1, 2004, for program changes related to the Medicare drug discount card program which is scheduled to begin in June 2004. Committee recommendations are to be submitted before July 1, 2005, for the changes related to the Medicare Part D prescription drug benefit which is effective January 2006.

The fiscal impact of this provision will ultimately be dependent upon the program design recommendations made by the Committee and subsequent administrative actions. The Indiana Prescription Drug Program is funded from the Indiana Tobacco Master Settlement Agreement Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, HoosierRx Program.

Information Sources:

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